

**Department of Insurance**  
**2010 Proposed Legislative Package**

**1. Agent Licensing Uniformity**

- Eliminating stand alone licenses (previously in HB 59)
  - Specialty credit being repealed (no current licenses)
  - Rental vehicle agent being merged into limited line of authority
- Amending definitions to conform to uniform definitions
- Changes to licensing and appointment requirements for business entities
- Clarification regarding the penalties for not renewing a license timely (renewal and continuing education)
- Adoption of the adjuster model law

**2. Kentucky Access**

- Technical changes recommended by the federal Centers for Medicare and Medicaid Services in their review of our HIPAA state alternative mechanism (previously in HB 54)
- Removing the requirement to issue the standard plan
- Closing loopholes that expand the pool beyond its intent as a market of last resort for individuals

**3. Health Federal Requirements**

- Conforming amendments for federal laws including:
  - Genetic Information Nondiscrimination Act of 2008 (GINA)
  - Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act of 2008
  - Michelle's law (regarding dependent status and medical leave for full-time students)
  - HIPAA clarifications
  - IRS rules for HRAs

**4. Captive Streamlining**

- Technical clarifications of our existing captive law to address:
  - Changes in federal tax law
  - Corporate structure
  - Filing and reporting requirements

## 5. Accreditation and Financial Streamlining

- Adopt two models needed for accreditation:
  - Accountant rotation provisions in the model audit rule (previously in HB 59)
  - Property & Casualty Actuarial Opinion Model
- Changing the examination cycle from 3 years to 5 years

## 6. DOI Housekeeping

- Amendments to existing statutes to:
  - Correct typographical errors and statutory citations
  - Clarify existing practices
- Repeal obsolete statutes

## 7. Annuity nonforfeiture provisions

- Changes to the nonforfeiture law (KRS 304.15-365) to specify the maturity date of an annuity and clarify that there can be no surrender charges imposed beyond the maturity date
- Clarifies that if an annuity is forfeited, there can be no surrender charges imposed beyond the date of forfeiture

## 8. Kentucky Life & Health Insurance Guaranty Fund

- Increases the benefit levels under the Kentucky Life & Health Guaranty Fund (KRS 304.42-030) to the limits in the updated NAIC model.
- Clarifies that claims under Medicare Part C and D are not subject to guaranty fund protection in that a federal safety net is available to protect consumers

## 9. Mine Subsidence

- Amend KRS 304.44-030 and 304.44-050 to increase the reinsurance limits for damages to structures due to mine subsidence from \$100,000 to \$300,000
- Amend KRS 304.44-030 to add coverage up to \$25,000 due to loss of use of a structure